





# 'Glasnost' Thrusts Rock Music Into the Open

By Christopher Boian  
International Herald Tribune

PARIS—From his black leather necktie and skin-tight spangled blue jeans to the tips of his pointed blue shoes, Alexander Sitkovetsky carries all the trappings of a rock star. In the era of glasnost, or "openness," in the Soviet Union, his day has come.

"This is a very special time for rock music in the Soviet Union," he said with a broad grin. "I would have to say that we are going places."

Life has changed dramatically, said Mr. Sitkovetsky, 32, the leader of the Soviet rock band Autograph, which is on its first tour of France. "When I began in the late 1960s," he said, "I can tell you, things were very different than what they are today."

In the last few years, many Soviet rock musicians have found themselves the beneficiaries of official encouragement.

"This new government support of rock music is directly connected to all of the changes that are happening in the Soviet Union now," Mr. Sitkovetsky said.

Despite its gains, Soviet rock music generally remains timid compared to Western rock.

To be considered for a contract with Melodiya, the state recording monopoly, a band must submit all of its lyrics for approval. References to sensitive political circumstances in the Soviet Union—particularly to the war in Afghanistan—are censored, as are overtly sexual lyrics.

The new official attitude toward rock music, Mr. Sitkovetsky said, only made it easier for young musicians to do what they had been doing for years.

"Rock music has been a part of Soviet culture since the late '60s and early '70s," he said. "I think that for a long time many officials saw it only as a passing fashion. Now they realize that it is a popular and permanent art form."

An example of what another Soviet rock musician refers to, somewhat wryly, as "glas-

nost on the road" was the government sponsorship of a rock concert last year in Moscow to raise money for the victims of the Chernobyl nuclear disaster.

"The Chernobyl concert included not only the older official musicians," Mr. Sitkovetsky said, "but also several new bands that have become quite popular with Soviet youth."

Until recently, all but the most subdued rock bands in the Soviet Union were often confined to illicit nightclubs and low-quality bootleg recordings, and were consistently condemned in the official press.

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— Alexander Sitkovetsky,  
Soviet rock musician

But in the past few years, a turnaround has taken place.

In 1985, the government established the Moscow Rock Laboratory, one of several organizations that offer amateur rock bands the opportunity to play publicly under official sanction.

"Of course rock'n'roll in the U.S.S.R. has been influenced by Western bands and trends," Mr. Sitkovetsky said. "But Soviet bands have a uniquely Russian sound. That does not mean that Soviet rock is balalaikas plugged into amplifiers. But we have a great tradition of musical composers to draw from." Sitkovetsky, Stravinsky, Rachmaninoff—and I think it shows."

Each of the members of Autograph is a classically trained musician, but they cite Western bands such as the Rolling Stones and Genesis among their favorites.

The growing official acceptance of rock in the Soviet Union has also generated debate among musicians. While some believe that official government approval of rock can only benefit the bands and their audiences, others perceive it as a government trap, an attempt to use rock music as a political tool.

Alexander Kam, a Leningrad rock critic, summarized the contradiction that occurs when government intervenes in what is traditionally a rebellious, anarchic musical genre. He told the New York Times recently, "It is a breakthrough, but still every sound, every record has to be approved."

Komsomol, the youth branch of the Communist Party, which has been under pressure to increase enrollment, has turned to rock music as a means of soliciting members.

The organization has sponsored rock clubs in towns and cities throughout the Soviet Union, and has organized rock festivals such as one held last month at the Palace of Culture in Moscow, with the aim of bringing Soviet youth together in the name of officially sanctioned rock.

"No, we do not feel we are being used by the government," Mr. Sitkovetsky said. "Of course it is good for us that they have taken a real interest in our music. But we are professionals and I think we are just beginning to have some success at it."

Autograph was the only East bloc band to participate in Bob Geldof's Live Aid concert in 1985 for African victims of famine. Their performance took place in a Moscow television studio and was transmitted by satellite.

A recent article in Komsomolskaya Pravda, Komsomol's official newspaper, quoted a well-known Western rock band as arguing in favor of the new official attitude to Soviet rock music.

"In the '60s the Beatles wrote the lyrics 'Back in the U.S.S.R.' You don't know how lucky you are," the article said. "It seems they were right."



Alexander Sitkovetsky, right, performing recently at the spring festival in Bourges, France, with Johnny Lyon of the American group Southside Johnny and the Asbury Jukes.

## WORLD BRIEFS

### Sri Lanka Halts Raids on Rebel Areas

COLOMBO, Sri Lanka (UPI)—The Sri Lanka government ended five days of air strikes Monday that were aimed at punishing Tamil separatists for the bus terminal bombing that killed 109 people last week. But the government warned that the raids could be resumed at any time. It provided no casualty toll for the bombings of separatist-controlled areas of northern Sri Lanka, but the government claimed earlier that 80 people had been killed in the first attacks.

Meanwhile, the police dispersed thousands of mourners at a Buddhist memorial service for victims of the bombing outside Colombo's main bus terminal. No serious incidents were reported at the service, but an officer said policemen moved in when the crowd grew to about 3,000 because of fear that it could get out of control.

### Iran Reports Gains in Northeast Iraq

NICOSIA (AP)—Iranian forces, flown in by helicopter, advanced 15 miles (24 kilometers) into the mountains of northeast Iraq in a new Gulf offensive and killed or wounded 2,700 Iraqis, Iran's press agency said Monday.

The Islamic Republic News Agency quoted military communiqués as saying the Iranians have liberated 37 villages and captured more than 90 square miles (233 square kilometers) of eastern Sulaimaniyah Province in heavy fighting.

The agency, monitored in Nicosia, said Iranian forces Monday crossed the Qazel River northwest of the provincial capital in the second phase of the drive launched Friday and occupied the northern slopes of the Gamou and Shamsheh ranges. There was no immediate comment from Baghdad on Iran's latest claims. On Sunday, an Iraqi spokesman said the assault had been repulsed with heavy Iranian losses.

### U.S. Installation Near Manila Attacked

MANILA (UPI)—The headquarters of the Joint U.S. Military Advisory Group in a Manila suburb was attacked Monday by gunmen who fired from a car and threw grenades, causing minor damage but no injuries, the police said.

A caller told a Japanese news agency in Manila that a group called the Jihad Brigade was responsible. The caller said the attack "was connected to the bombing in Greece." A bomb attack on a bus carrying American military personnel injured 18 people outside Athens on Friday. A leftist group claimed responsibility, saying it was a protest against the presence of U.S. military bases in Greece.

A Philippine armed forces spokesman, Colonel Hecisto Isleta, said the attackers fired automatic weapons at the concrete buildings of the headquarters in Quezon City and then threw five grenades into the compound.

### Finnish Coalition List Is Completed

HELSINKI (AP)—Harri Holkeri, the negotiator appointed by President Mauno Koivisto to organize a new government, completed plans Monday for a coalition that would include his conservative party for the first time in two decades.

Mr. Holkeri, 50, a former chairman of the conservative National Coalition Party, announced that he would present his list of proposed ministers to the president Wednesday.

The conservatives were the biggest winners in the elections last month with a gain of nine among the 200 seats of the Eduskunta, or parliament. They now hold 53 seats. The Social Democrats, who have dominated Finnish politics for 50 years, hold 56.

### For the Record

Israeli military authorities ordered Monday the expulsion of a Palestinian student leader suspected of inciting violent demonstrations at a university on the occupied West Bank, Marwan Barghout, 26, is chairman of the student council at Bir Zeit University. (AP)

A Yugoslav court has postponed the execution of Andreja Arakovic, 57, who was convicted in Yugoslavia of ordering the deaths of more than 1,000 persons during World War II. He was extradited in February 1986 from Seal Beach, California. (UPI)

Seventy-nine Roman Catholic nuns went on a hunger strike Monday in Kwangju, South Korea, joining 15 priests who began a fast there last week. They want the South Korean government to resign and allow free elections. Catholic officials said. (Reuters)

## TRAVEL UPDATE

Spain's Iberia airline was forced to cancel flights Monday after a slowdown strike by maintenance employees led to a shortage of serviceable aircraft, a spokesman said. Meanwhile, Spain's air controllers have called off a six-day stoppage scheduled for next month after talks with authorities, union sources said Monday. (Reuters)

Italy's railway system was paralyzed Monday when 220,000 employees staged a 24-hour strike to support union demands for raises and greater investment in the network. Officials said the strike blocked all local and long-distance passenger and freight trains. (Reuters)

British Airways is installing video cameras at Heathrow Airport on which it said passengers could register complaints or compliments. The cameras will be placed in booths in two of the four terminals. "They will have one minute in which to record their message," a spokesman said. "We're hoping it will bring forward constructive criticism, but obviously we're going to have people complaining." (Reuters)

## Police Fight Terror Suspects Seek Release of Germans in Beirut

By James M. Markham  
New York Times Service

JOHANNESBURG — Police used whips and fired tear gas and birdshot Monday in running battles with hundreds of students, both blacks and whites, at an anti-government protest at the University of Cape Town, officials said.

The melee broke out at the multi-racial university after anti-apartheid student organizations held a

midday rally to protest a South African Army commando raid in Zambia in which four persons were killed. After the rally, students marched around the campus.

Some students were arrested, the government-controlled South African Broadcasting Corporation reported. It was one of the most violent campus disturbances since a nationwide state of emergency was declared in June 1986.

There were no immediate official reports of injuries, but a journalist who was at the campus said at least four students were hit by birdshot and others were injured by whips.

The government's Bureau for Information said the police fired tear gas and used whips on students after police and private vehicles were stoned. It said officers fired birdshot when they feared the tear gas would spread from the campus to a highway.

Reporters at the campus said the first clash occurred after some marchers threw stones and bottles at a police car.

Reporters said about 100 police officers were involved in the clashes, during which students erected a set fire to a barricade at the university's main entrance and later barricaded themselves in the student union building.

The bureau said about 300 students were involved in the unrest.

**Political Motive Seen**  
Prime Minister Robert Mugabe of Zimbabwe has said Pretoria's raid on Zambia over the weekend was aimed at catching more votes for South Africa's ruling party in next month's whites-only general elections, Reuters reported from Harare.

## Terror Suspects Seek Release of Germans in Beirut

By James M. Markham  
New York Times Service

BONN — A jailed Lebanese terrorist suspect and his brother have written to their relatives in Beirut urging them to free two West Germans who have been held hostage there for three months, according to a senior official.

The West German official, who has close knowledge of the case, said that the terrorist suspect, Mohammed Ali Hamadeh, 22, and his brother, Abbas Ali Hamadeh, 28, had made clear in their joint appeal that there would be no movement on their legal situation until the two Germans were freed.

The initiative coincides with what appears to be a toughened West German position on a case that has been followed with keen interest in the United States.

Earlier this month, members of a U.S. Senate anti-terrorism caucus warned the Kohl government against swapping Mohammed Ali Hamadeh for the two German hos-

tages. But, from the outset of the drama, the Kohl government rejected that option, according to another official close to the case.

Bonn has, however, temporized on the American demand for extradition, fearing that according to it would lead to the murder of the two Germans in Beirut.

Syrian troops are now in control of most of West Beirut, and at one point the government of President Hafez al-Assad offered to set militarily to liberate the two hostages.

But the West German side rejected this as too risky, according to a Western intelligence official.

While reluctant to extradite Mohammed Ali Hamadeh, Bonn is known to be exploring the option of trying him in West Germany for the TWA hijacking, a step that could lead to a life sentence for the Lebanese.

There has so far been no response to the letter from the kidnappers, the official said.

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## BIHAR: India's Other Face

(Continued from Page 1)

same time, the poor have also been hit hard by inflation.

Because of these factors, many experts say that the talk of overall progress is illusory and that many in Bihar not only are being left behind but are also falling back.

"Our industrial and agricultural policies help the places that are already advanced," said Dr. Pradhan H. Prasad, an economist at the Bihar Institute.

"The 'green revolution' has bypassed Bihar," he said. "Because of rising prices, the haryans and peasants of this state are actually seeing their standard of living decline."

Bihar itself looks like the backward India of three decades ago. There are irrigation canals, power lines, tractors, and television aerials in many villages of the north-central farm belt, but in the Gaya region the roads are crumbling, the irrigation ditches are uncompleted, and the water pumps, the wells, and the power lines are broken. Even a transistor radio is a rarity.

Bihar, especially the north, is hit almost every year by floods or drought. Peasants in the central part of the state wear tattered clothes and have a ravaged look as they toil in the fields or dig ditches, load rocks, and spread asphalt under government road-repair programs.

In interviews, many peasants said they were somewhat better off than a few years ago, if only marginally, because of access to government employment programs.

The nearly universal complaint, however, was that they often had to pay bribes and that much of the money intended for the poor had been siphoned off by the middle- and upper-caste administrators of the employment programs.

At a road project, Rajender Bind, a 35-year-old harjan, smoked a crumpled cigarette, coughed, and said that he could find work only a few days a month. His income, he said, has failed to keep pace with rising prices of rice, clothes, and cooking oil.

These increases in foreign aid, not linked to Japanese exports, are expected to be channeled through the World Bank or regional development banks to debtor countries. The money will go not only to Asian countries, where most of Japan's past aid has gone, but to Latin American and African countries, too. The Japanese are talking about a foreign aid package of \$30 billion for Latin America alone.

The proposals Mr. Nakasone will be bringing to Washington appear to dovetail with these U.S. objectives. According to Japanese sources, these will not be offered as a response to U.S. demands—given Japanese pride and the delicate state of politics at home—but as policy actions that the government has decided to submit to Japan's parliament, the Diet. The main elements in this package will be a program to speed up the growth of the domestic economy, increases in government purchases from the United States and rises in Japanese aid to Third World countries.

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## DIPLOMATS: A Troubled Decade Gets Harder for U.S. Foreign Service

(Continued from Page 1)

the Communist governments of Eastern Europe and Asia.

The Reagan administration always has denied that there was a purge in 1981.

Senior members of the administration said unofficially, however, that their aim was to get rid of everyone they felt could not be entrusted to carry out what would become the most controversial foreign policy of the Reagan presidency: its effort to block what the administration perceived as a Soviet-Cuban effort to use Nicaragua as a base for spreading subversion through the hemisphere.

The administration's pursuit of that goal evolved into its embattled policy of support for the guerrilla war waged by the Nicaraguan rebels against the leftist Sandinista government in Managua.

The treatment meted out to Mr. Bowdler and his associates hit the Foreign Service with a shock whose aftereffects are still being felt.

Other administrations, including that of President Jimmy Carter, had sought to impose their ideological views on foreign policy, particularly in regard to Latin America.

But the wholesale purging of the Bureau of Inter-American Affairs carried out by the Reagan team caused many career diplomats to conclude that a new wave was being written: that if they were too diligent in trying to carry out the policies of a specific administration, their loyalty might be questioned.

Instead, Lieutenant Colonel Oliver L. North, a supposedly low-level National Security Council staff member with no background in Middle Eastern affairs, had been allowed to circumvent the authority of Mr. Shultz and the State Department.

Colonel North's adventurism and the chaos it created for Mr.

later, under a different president with very different views.

Ideological pressures have receded, according to many career diplomats, since George P. Shultz succeeded Alexander M. Haig Jr. as secretary of state in 1982.

Mr. Shultz restored morale considerably by picking bright young members of the service as his key aides. He has stood up for the Foreign Service in difficult moments.

For example, in the furor involving security at the U.S. Embassy in Moscow, Mr. Shultz has asserted that the responsibility is his and has sought to avert a new wave of congressional criticism of the Foreign Service.

Still, the 1980s have been an especially unhappy time for U.S. career diplomats.

It began with the trauma in November 1979 of seeing their colleagues among the 52 persons held hostage at the U.S. Embassy in Tehran for 444 days while the American government looked on in helpless anguish.

Now, the Iran-contra affair has exposed the Foreign Service to new humiliation, revealing how its ostensible role as the principal instrument of U.S. foreign policy was usurped by the staff of the National Security Council.

Foreign Service officers with years of experience in dealing with Iran and the Middle East had to face the realization that the White House consciously chose to ignore their advice and expertise.

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Reagan's ability to govern was described privately by one senior State Department official as "the worst-case, horrible example of what can happen when the government and people of this country don't decide whether they want a professional diplomatic service and are willing to entrust it with the conduct of foreign policy."

Increasingly, the State Department has been relegated to the routine of diplomacy: the stamping of visas and helping American tourists who have fallen ill or lost their passports; or acting as mail carriers in routine exchanges with other governments; and, at a time when terrorism has become the sinister mirror image of diplomacy, of assuming the risks inherent in maintaining an American presence abroad.

However, when policy decisions are being made, presidents and their senior advisers, usually trained in the result-oriented school of domestic politics, are easily frustrated by the caution and compromises that are the traditional tools of professional diplomats.

Often, their impatience with "the fudge factory," as John F. Kennedy called the State Department, causes them to turn to agencies advocating solutions that seem to promise quick and more clear-cut results.

Throughout the postwar period, the State Department has often been on the losing side of the struggles for power and influence between it and other agencies with a stake in foreign policy—the National Security Council staff, the Defense Department, the Central Intelligence Agency.

"It's more important for senior diplomats to learn to speak the language of domestic politics than it is to learn a foreign language," said David D. Newsom, who served in

the Carter administration as under-secretary of state for political affairs, usually the department's highest career post.

"The typical Foreign Service officer knows more about the politics of Gabon or Bolivia or whatever than he does about Wisconsin or Alabama," added Lawrence S. Eagleburger, who held the post in the Reagan administration.

Instead of area experts, the administration has tended to rely in Central America on Foreign Service officers with reputations as good generalists willing to follow orders and not raise troubling questions.

One Foreign Service officer, concluding a tour of duty in Central America midway through the Reagan administration, said:

"It isn't embarrassing that the secretary of state doesn't know anything about Central America. And it is only moderately embarrassing that the assistant secretary doesn't know very much. But it's very bad when the deputy assistant secretaries and even the office directors know so little."

**TOMORROW: Experts or generalists?**

### DEATH NOTICES

The staff of the International Herald Tribune extends its sincere sympathy to Juanita Caspari on the death of her father.

Ernest CASPARI on Saturday 25, April, 1987.

MATHIAS POLAKOVITS, alias Paul Mathias, past away on the 26th April at the Ambroise Parc-Hospice in Boulogne. A memorial mass will be held for all his friends on Monday the 4th May at 11:30 at Saint Pierre de Chailly, 35 Avenue Marceau, 75008, Paris.

## PLO: Egypt Shuts Offices Over Decision to Sever Links

(Continued from Page 1)

after the assassination of President Anwar Sadat, who signed the Egyptian-Israeli accords.

Meanwhile, in Paris, Prime Minister Jacques Chirac urged Prime Minister Yitzhak Shamir on Monday to consider the concept of an international Middle East peace conference, but Mr. Shamir restated his opposition.

Mr. Chirac said he told Mr. Shamir that the 12 European Community nations favored the concept of an international conference, in-

volving the interested parties in the Middle East.

Mr. Chirac said his two-hour meeting with Mr. Shamir was conducted "in a spirit of cooperation and not of confrontation."

**U.S. Is Not Encouraged**  
The United States said Monday that it was not encouraged by the PLO meeting in Algiers, Reuters reported from Washington.

"From what we know thus far of the results" of the meeting, said Charles E. Redman, the State Department spokesman, "they are not encouraging."

Mr. Redman said that despite the meeting, Washington was determined that "the search for peace in the Middle East will go forward."

Other administrations, including that of President Jimmy Carter, had sought to impose their ideological views on foreign policy, particularly in regard to Latin America.

But the wholesale purging of the Bureau of Inter-American Affairs carried out by the Reagan team caused many career diplomats to conclude that a new wave was being written: that if they were too diligent in trying to carry out the policies of a specific administration, their loyalty might be questioned.

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## UN Pact Discussed To Protect Ozone

GENEVA — Scientific experts from nearly 40 countries began negotiating an international accord Monday to reduce chemical emissions damaging the world's protective ozone layer.

Mosafa Tolba, the executive director of the United Nations Environment Program, opened a four-day meeting of the group.

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OPINION

# Give Up the Smoking Habit And You Get the Last Grin

By A.M. Rosenthal

NEW YORK — So there I was, 13 years old, the smallest boy in my freshman class at DeWitt Clinton High School, smoking a White Owl cigar. I was not only little, but I did not have longer—long trousers—and was still in knickerbockers. I had to do something to project my fierce sense of manhood.

First I bought a Sherlock Holmes pipe for 79 cents. I broke that in nicely with a few tins of Edgeworth tobacco. Then I added a couple of White Owls a day at a nickel apiece and Twenty Grand cigarettes at a dime a pack.

Everybody was amazed and said oh, let him alone, he will grow out of it. And I did, only 42 years later.

This is a thank you letter to those who helped me stop. They gave me gifts

beyond measure: the feeling of self-control, the elation of freedom from addiction, and self-esteem.

The only way I know to repay them is to tell all those who are about to give up smoking, or thinking more about it because of increasing restrictions on where they may smoke, that these gifts will be theirs soon. Beyond compare, they will outweigh any pleasure of smoking and the discomfort of giving it up.

I smoked at home, I smoked in restaurants, theaters, offices, New York and around the world. I smoked a lot: pipe, cigars, two packs of cigarettes a day.

The longer I smoked the more frightened I became. By the time I was in my 20s I knew quite well that people died of smoking, died of heart attack and died, terribly painfully, of cancer. I knew my family had a bad cancer history, but I kept smoking and smoking. I was afraid, but still I smoked so much my head ached and my throat was raspy.

I knew quite well that I was an addict, and perhaps fear of failure kept me from really trying to stop.

So I stopped about once a day. Then one day, in the newsroom, a good

## Catch 'Em Young

THE kinds of messages cigarette companies use — sexual success, attractiveness, social prestige and even the sense of rugged, individualistic risk-taking behavior — are particularly appealing to young people.

Edward Popper, a professor of marketing at Northeastern University in Boston, quoted in a Washington Post report on cigarette advertising.

They have to directly attract young people to get them started. They know that if a person does not try tobacco products by age 20, the likelihood of their taking it up is very remote.

Charles Sharp, a former advertising executive, quoted in the same report.



The civilians are getting out of hand.

## For a Stable Middle East

Regarding "A Jordanian Appeal: American Jews Can Help" (April 20) and "Middle East: For Leadership to Help Make Peace" (April 21) by Mohamed Kamel.

Ambassador Kamel's articles offer an alternative to what has, unfortunately, become the policy of the United States regarding Israel and her Arab neighbors. For the United States to believe that a fortress state of Israel, backed by an inexhaustible flow of arms and technology, is in anyone's interest elevates folly to the national level.

As Ambassador Kamel points out, Israel deserves U.S. support for its security, but not at the expense of alienating an Arab majority in the region that has long been friendly with Washington and seeks only the same security. How much more stable the Middle East could be if leaders in Israel and the United States at least considered his advice.

SEAN R. MCKEON, Paris.

Mr. Kamel's points are well taken, especially those directed toward the U.S. Israel lobby. There is probably more reasoned moderation concerning Arab-Israeli relations in Israel itself than there is in the United States.

## On Misery and Marketing

Regarding the article "Maker of 'Bag Lady' Doll Gets Dressing Down From U.S. Group" (April 18):

Doll manufacturer Donald Gourley has not shown lack of taste as much as lack of knowledge of marketing trends. American rock musicians, makers of stuffed animal, etc., have known for several years that they can best market useless items to the American public by promising profits to charity.

Mr. Gourley should double the price of the dolls and donate half of the profits to projects which aid the homeless. "Bag lady" dolls could then continue to satisfy affluent Americans' need to buy, while assuaging their guilt about all of those in the country who are homeless.

LAUREL POSTMA-MENNE, Leiden, Netherlands.

I have news for Janet Profitit, the marketing executive who claims that "bag lady" does not connote homelessness.

# When Everything at My Place Is Japanese

By Lance Contrucci

NEW YORK — After reading continually about the crisis over trade with Japan, I personalized the issue. I took an inventory of the things in my apartment and discovered that 85 percent of everything I own was made in Japan and 15 percent was made in America.

Japan: Alarm clock, bicycle, camera, fan, guitar, hair dryer, iron, humidifier, microwave oven, razor, stereo, pencil sharpener, telephone, tennis racket, toaster oven, Walkman, TV.

America: Albums (country and western mostly), books, food.

Silicon chips aside, the fact is, like a corporation I have been taken over. We know that the Japanese have been quietly manufacturing high-quality goods and singing collectively in factory parking lots. Now we know why: The whole nation has dedicated itself to the goal of making every product in my apartment.

I imagine that giant posters of my living room hang in Japan's major factories. My picture, above the caption "Make Him Buy Us," is on the desks of all major Japanese executives. They probably declare a national holiday every time I buy a Japanese product.

This silicon chip business is merely a distraction. What they really want to do is manufacture that final 15 percent of my possessions. Then, once every item in my apartment is Japanese, the whole building will follow. After that, the world. Call it The Panasonic Theory.

Rob, a friend of mine, pointed out that my few American-made possessions are not easily duplicated. "Literature, country and western music and food aren't like

tape decks," he said. "They're too American for another culture to make."

You know Rob. He also once said that the Japanese make junk. And that nobody could ever top Detroit. Rob is

## MEANWHILE

not impressed when employees sing collectively in parking lots.

Well, forget it, Rob. There isn't anything that the Japanese can't make.

Soon, Japanese books will fill my shelves. I envision pocket-sized classics with electronic place finders. Books such as "Zen and the Single Girl," "Yamamoto's Complaint," and "The Catcher in the Rice" will be sexy, well-written and perfectly structured.

Japanese magazines will occupy my coffee table. They'll carry articles on sociology ("I'm O.K., You Are Very Poor and Backward") and cosmology ("Why Good Things Happen to People Who Sing in Parking Lots").

As an extra incentive to buy their books, Japanese publishers will offer an outstanding guarantee. If you don't like one, you write a letter to the author, who will write a sad, humble letter in return. That's irresistible. Score another 5 percent of my belongings for the Japanese.

As for country and western music, I listen to just about anything. So how will I resist when Japanese artists parlay the Oriental sense of self, urban sophistication and modern technology into 48-

track minimesterpieces? I can imagine works like "Marketing Director's Daughter" and "Take This Job and Show Me How to Maximize Production So That My Contribution Will Be More Valuable to the Company and the Country."

Sorry, Nashville. Another 5 percent. I don't like to cook, which puts my palate in a compromising position. Once the Japanese get into the fast-food business, I will be able to enjoy delicious cuisine at a fraction of the price. "Where's the Fish?" will become the staple of the advertising world, as I feast upon Big Sashimi and B.L.T.'s (Better Like Tempura).

That's the final 5 percent. As soon as the Japanese achieve total apartment domination, they'll have a two-week celebration. Everyone will go out and buy original van Goghs and cameras to photograph them.

Then they will invade, using my apartment as a beachhead. They'll be armed with tote bags full of money and they'll buy every square inch of land that is available.

When they arrive, I will welcome them warmly. I'll bow and smile and wear a robe. And I'll recite a haiku to my new neighbors:

Little blue Walkman  
Chirps glad songs in the morning  
Just like his makers.

If you can't beat 'em, buy 'em.

Mr. Contrucci is a corporate technical writer. He contributed this article to The New York Times.

## LETTERS TO THE EDITOR

### The Agony Can Be Eased

Regarding "Why Drag Out the Agony With Expensive Machines?" (April 16):

The case described by Daniel Forman makes one angry and sad not only because it involves a patient, a family and a physician caught in a tragic, emotionally and financially draining situation, but also because such cases can be avoided.

California has a law that makes it possible for a person to state the kind and extent of care she or he desires in the event of incapacitation. By preparing a durable power of attorney for health care, one can mandate that all extreme, or "heroic," measures be used, that none be used, or something in between. The individual who is given the power of attorney is usually not a family member or physician. It can be a friend or legal adviser. The family need not feel guilty

about care given or withheld, knowing that the wishes of the patient are being carried out, and the doctor need not act out of fear of malpractice lawsuits.

Open discussion of such matters by family members, physicians and patients would benefit all and might lead to similar sensible and humane laws being adopted in other states.

JEAN TURNER, Zurich.

### A Page From RCA's Book

Regarding "U.S. Publishers Getting Less Bookish" (Business/Finance, April 13):

While the average chairman of the board would be more interested in having a Sidney Sheldon in his corporation's stable than a Saul Bellow, the situation may not be as dire as it seems. Big recording companies like RCA and Columbia make most of their money from popular music. Still, RCA has its Red Seal and Columbia its Masterworks label, and both companies record and distribute a lot of classical music and opera despite the fact that Mozart does not sell as well as Bruce Springsteen.

If corporate book publishers could be persuaded to set up small, subsidiary printing operations for quality litera-

ture, with losses offset by profits from pulp, letters would not suffer too badly.

KELLEY DUPUIS, Frankfurt.

### A Master With a Lens

Your April 3 front page carried a photograph of what I first took to be another Old Master painting up for sale at a record price. But no, the caption showed it to be a photo of Greek Orthodox priests sitting in the gallery of Parliament in Athens, watching the debate that would decide the fate of church lands. It is a majestic scene, so perfectly composed that one can scarcely believe that this was a quick shot in a crowded chamber.

Thank you for this marvelous visual surprise and congratulations to the Associated Press photographer.

ROSE E. GONZALEZ, Barcelona.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

## GENERAL NEWS

# Nuclear Europe Is Unswayed by Chernobyl

By Paul Lewis

PARIS — A year after the Chernobyl disaster sent a cloud of radioactive debris drifting across much of Western Europe, those European countries already committed to nuclear power are pushing ahead with their nuclear programs.

Britain has just authorized construction of the first of a new generation of nuclear power reactors. West Germany recently started up a new reactor, its 21st.

France, which leads the world by meeting 70 percent of its electrical consumption needs with nuclear energy, continues to build new reactors at a rate of about one every 18 months. Overall, Western Eu-

rope gets about a third of its electric power from nuclear reactors. Radiation levels have returned to normal over most of the continent, though the sale of rainbow trout and freshwater fish from northern Scandinavia is still banned.

Pierre Pellerin, director of France's Central Protection Service Against Ion Radiation, said that "the effect on European public health is rigorously nil."

In a report prepared for the European Community last month, however, Britain's National Radiological Protection Board said that the Chernobyl accident may cause up to 1,000 cancer deaths in Western Europe over the next 70 years, a small figure compared with the 50

million cancer deaths that might have been expected.

Yet Chernobyl appears to have significantly affected Western European attitudes toward nuclear power. Opposition to it has hardened in many European countries.

In Italy, the Parliament has halted work on four unfinished reactors. Finland, the Netherlands and Greece have canceled or postponed plans to acquire new reactors since Chernobyl. Sweden, which already had committed to abandoning nuclear power by 2010, now plans to shut a first reactor by 1995 and a second by 1996.

In nations that retain a commitment to nuclear energy, leftist political parties have grown more adamantly anti-nuclear, raising the possibility of a policy change if they come to power.

Britain's Labor Party proposes phasing out nuclear power over several decades. West Germany's Social Democrats want to abolish it within 10 years. All Italian parties to the left of the center-right Christian Democrats oppose it. Only in France is there a political consensus in favor of nuclear power.

"For the first time, a serious nuclear accident has become a real, not a theoretical, possibility," said I.C. Bupp, who wrote a new study on nuclear power after Chernobyl. "That's bound to affect attitudes."

Investigations by the International Atomic Energy Agency and the Nuclear Energy Agency of the

Organization for Economic Cooperation and Development in Paris concluded that the Chernobyl accident was specific to a particular type of Soviet reactor and did not call into question the safety of Western reactors.

"No new safety measures were needed on Western reactors," said Thomas Roser of the Deutsches Atom Forum, a body representing West Germany's atomic industry.

As for reactors under construction, the impact of Chernobyl was lessened by the fact that the number of reactors proposed or in progress has declined, since there is little demand for more electricity.

West Germany has only three reactors still under construction. But authorities in the state of North Rhine-Westphalia still are blocking the start-up of a nearly completed reactor at Kalkar. France's latest reactor, at Cattenom on its eastern frontier, has provoked large and violent West German protests.

While recent opinion polls indicate that West Germany's existing nuclear power plants now command the same majority support they enjoyed before the accident at Chernobyl, they also indicate rising opposition to building any new nuclear reactors in the future.

Although Britain's Conservative Party government is pushing ahead with construction of a nuclear station at Sizewell, the first of a planned series of new-model reac-



Citizens in Moscow pay tribute to firemen who died in the Chernobyl accident a year ago.

# Sweden Displays New Lightweight Fighter Plane

Reuters

LINKÖPING, Sweden — Sweden introduced a new supersonic fighter plane Sunday that aviation analysts said would put the country in the forefront of a race to build lighter and cheaper military aircraft.

The Gripen fighter cost \$4 billion to develop and is due to fly in the fall. The plane is controlled by an on-board computer operated by the pilot.

The technology of the plane, which is manufactured by Saab-Scania and is scheduled to enter Swedish Air Force service in 1992, takes advantage of recent advances in composite materials that are lighter and stronger than steel.

Swedish officials said the jet was the most advanced in Europe. Its main competitor, the European fighter aircraft, will not be ready until at least 1989.

Although Saab-Scania said it hoped to sell the Gripen to Finland, Switzerland and other countries, the plane is unlikely to become a major export item.

### Bulgaria Leader Visits Soviet

Reuters

MOSCOW — Prime Minister Georgi Atanasov of Bulgaria arrived in Moscow on Monday to resume a visit that was postponed in February when he became ill.

## Libya Arrests Six Over Poppy Seeds

Reuters

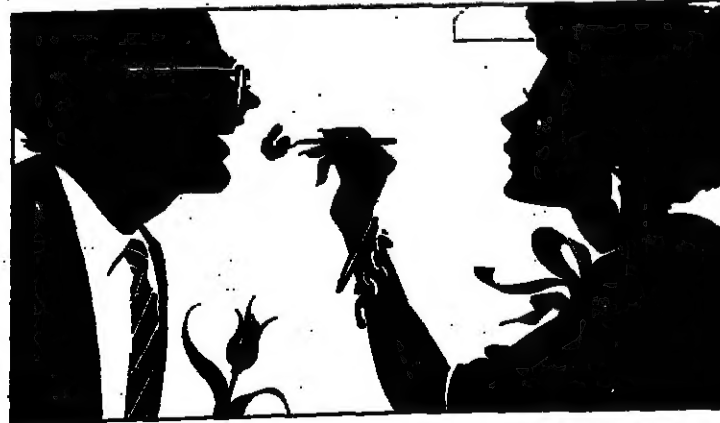
VIENNA — Six Austrians working in Libya have been arrested and accused of importing poppy seeds, a Foreign Ministry spokesman said Monday.

He said that the Austrian ambassador, Ewald Jaeger, had intervened with the Libyan authorities on behalf of the six, who were arrested Wednesday.

Mr. Jaeger said on the Austrian Radio that the poppy seeds were to be used for cooking. Poppy seeds are often used in Austrian cuisine, particularly for bread and pastries.

The Libyan authorities apparently believe the seeds could be used for narcotics. Opium and heroin can be produced from poppies.

The six were working for Austria's state-owned steel company VOEST-Alpine. The spokesman did not know where they were being held.



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## Crises to Environment, Economy Threaten Humanity, UN Warns

**United Press International**  
LONDON—A United Nations sponsored world commission began an effort Monday to protect the Earth's environment from the pressures of population growth and unbridled economic development.

The World Commission on Environment and Development, made up of representatives from 21 nations and led by Norway's prime minister, Gro Harlem Brundtland, published "Our Common Future," a result of its three-year investigation.

### Interlocking Crises

Philip Shabecoff of the New York Times reported earlier from Washington.

The report warned that the world is facing "interlocking" crises that threaten the future of humanity. The commission, created by the UN General Assembly in 1984, concluded that "sustainable human progress" can be achieved only through a system of international cooperation that treats environmental protection and economic growth as inseparable.

The study points to a series of environmental trends that "threaten to radically alter the planet" and many of its species, including people.

Among these trends are the alteration of the Earth's atmosphere by the burning of fossil fuels, the destruction of the protective ozone layer by manufactured chemicals, the destruction of tropical forests, the accelerating extinction of plant and animal species, the spread of

deserts, the acid poisoning of lakes and forests, and the poisoning of air, soil, and water.

These trends can be reversed, the report stated, but only by a concerted effort to solve the related problems of poverty, hunger, rapid population growth, excessive spending on arms, and the inequitable distribution of wealth that afflicts much of the world, particularly the developing countries.

The report was prepared by 21 commissioners who conducted public hearings on five continents. It is the first major international report on the global environment to deal with economic development as an essential ingredient for the salvation of the Earth's biological support systems.

Because of this dimension, it is likely to achieve broader acceptance than previous warnings about the global environment such as the Club of Rome's report, Limits to Growth, and the Global 2000 report issued by the United States during the administration of President Jimmy Carter. Those reports did not offer specific solutions that considered economic needs.

The chairman, Mrs. Brundtland, was to arrive in Washington on Tuesday to present the report to President Ronald Reagan.

A. Alan Hill, chairman of the White House Council on Environmental Quality, which is coordinating the administration's review of the report, said "there are themes in that report we are very supportive of and there are themes that we don't agree with."

One of the things the administration "is not enamored with," he said, is the report's conclusion that there must be a transfer of resources from the wealthy industrial countries to the poorer developing nations.

"What we do see as important is the message that economic growth and development will help solve environmental problems," Mr. Hill said.

The U.S. member of the commission is William D. Ruckelshaus, the former Environmental Protection Agency administrator. He said the report's "central message" was that economic growth and economic development are necessary for solving global environmental problems.

"When the century began," the report said, "neither human numbers nor technology had the power radically to alter planetary systems. As the century closes, not only do vastly increased human numbers and their activities have that power, but major unintended changes are occurring in the atmosphere, in soils, in waters, among plants and animals, and in the relationships among all of these."

The rate of change, it stated, "is frustrating the attempts of political and economic institutions which evolved in a different, more fragmented world, to adapt and cope."

The recent famine in Africa illustrates the ways economics and ecology "can interact destructively and trip into disaster."

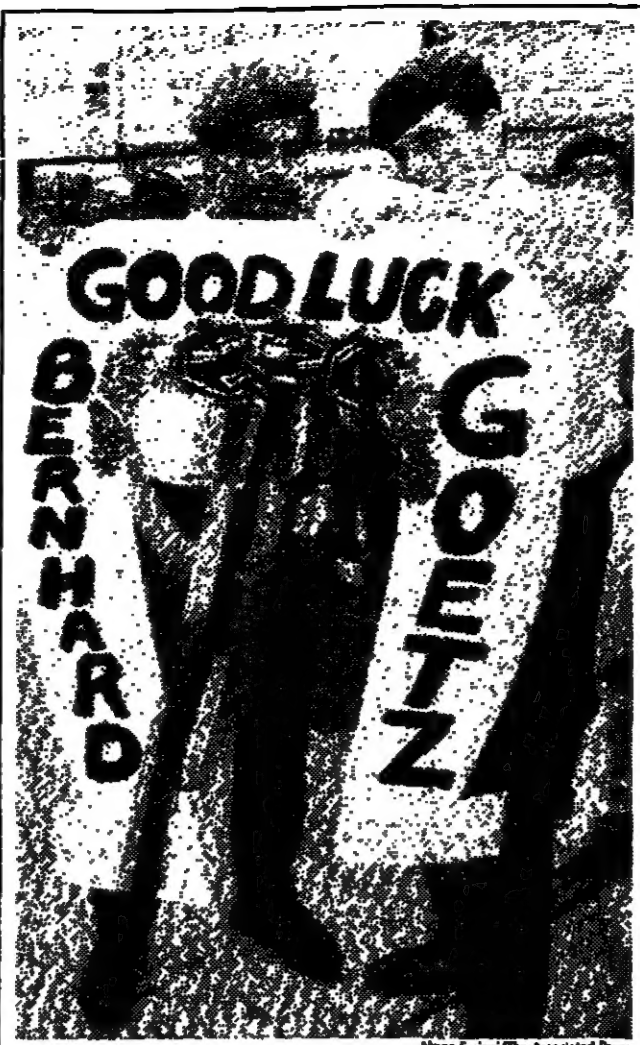
"Triggered by drought, its real causes lie deeper," it said. "They are to be found in part in national policies that gave too little attention, too late, to the needs of small-holder agriculture and to the threats posed by rapidly rising populations."

The report contended that global military expenditures, which it said now total about \$1 trillion a year, use resources that might be employed "more productively to diminish the security threats created by environmental conflict and the resentments that are fueled by widespread poverty."

The report said affluent nations should adopt "lifestyles" that do not overtax the Earth's resources, that reduce the per capita use of energy. It also said that all nations must consider the ecological dimensions of policy at the same time they consider economic, trade, energy, agriculture, and other policy dimensions in order "to anticipate and prevent environmental damage."

Over the past decade there has been broad recognition of the "cost-effectiveness" of investments in controlling pollution and in preventing ecological damage. The report called on financial institutions, particularly the World Bank, to increase its investments in these areas.

Finally, the report called for the creation of institutions and legal supports to fill the rapidly widening gaps in national and international laws to protect the environment. It called on the United Nations to act quickly to transform the report into a "UN Program on Sustainable Development."



### Goetz Trial Begins in New York

Two members of the Guardian Angels, volunteers who patrol New York streets and subway to deter crime, wished Bernard H. Goetz luck on Monday as his trial began on charges of shooting four men in a subway. Mr. Goetz, 39, contended the men tried to rob him. The 1984 shootings touched off a national debate on the right of individual self-defense and vigilantism.

## India Considers Shift in Nuclear Policy

**By Sanjoy Hazarika**  
*New York Times Service*

NEW DELHI—India's top defense official said Monday that New Delhi was considering changing its nonnuclear policy because of an "emerging nuclear threat" from Pakistan.

"Our response will be adequate to our perception of the threat," Defense Minister Krishna Chandra Pant said in Parliament.

Mr. Pant said that the Pakistani nuclear program was "forcing us to review our options."

Pakistan has denied that it has a nuclear weapons program although its leaders, including President Mohammed Zia ul-Haq, have been quoted extensively in New Delhi defending its right to conduct a nuclear program for peaceful purposes.

"All the evidence available indicates that Pakistan is continuing to pursue its nuclear program," Mr. Pant said. He also sharply criticized the United States for ignoring what he called "Pakistan's search of military nuclear capacity."

He and other officials were apparently upset by reports from Washington over the weekend that the Senate Foreign Relations Committee rejected a proposal urging the withholding of large amounts of aid to Pakistan for continuing with a purported drive for nuclear arms capability.

The proposed cuts would have trimmed \$100 million from the \$625 million U.S. military and economic assistance to Pakistan for fiscal 1988.

The aid is part of a proposed \$4.02 billion assistance package to be spread over six years.

U.S. intelligence sources have been quoted as saying that Islamabad had enriched uranium to weapons grade level.

India detonated what it called a "peaceful nuclear device" in May 1974, reawakening international concern over the spread of nuclear weapons.

It has several reactors capable of producing weapons-grade plutonium.

Both India and Pakistan have

## Alien Amnesty Program in U.S. In Disarray as Startup Nears

**By Peter Applebome**  
*New York Times Service*

NEW YORK—A week before the start of the amnesty program established under the new U.S. immigration law, many of the information and counseling networks designed to guide aliens through the legalization process are confused and in disarray.

Although problems vary from city to city, officials with church and council groups say the Immigration and Naturalization Service has had to struggle to organize the amnesty program, which begins May 5, by congressional order.

They say logistical problems and inadequate preparation are adding confusion and uncertainty to the legalization process, much of which will rely on volunteer workers. As many as 3.9 million aliens could apply for legal status.

"We're at the 10th hour," said Joe Murray, chairman of the North Texas Immigration Coalition in Dallas. "We are about to go over the dam, and we can't do anything about it. If the bill goes into effect in May, we will discriminate against the people we are trying to help."

Mr. Murray's organization recently asked Texas congressmen to try to get the amnesty program delayed for a year to allow the immigration service, churches and agencies enough time for education and planning. The attempts have been unsuccessful.

INS officials acknowledge that there have been problems in starting the program, but they say it has proceeded relatively well, considering its complexity and the time constraints.

"I'm convinced most of the people are ready to go," said E.B.

Duarte, director of the INS Outreach Program. "The most productive agencies will be up and running on that day. Some others may not be ready until May 15 or June 1. I'm amazed at what has been accomplished in these six months. We've literally had people working day and night to get ready."

Some immigration officials say the problems with the amnesty program are minor when compared with the swelling tide of illegal immigration the new law was designed to address.

"Nothing could be more of a mess than what we have now with a country full of illegals," said the service's Chicago district director, A.D. Meyer.

The new law, which was signed by President Ronald Reagan on Nov. 6, offers legal status or amnesty to illegal aliens who entered the United States before Jan. 1, 1982, and have lived in the country continuously since then. The application period begins May 5 and ends May 4, 1988.

Beginning June 1, immigration officials will enforce another section of the law, which prohibits employers from hiring illegal aliens.

A network of churches and other agencies will advise aliens on the law and on how to document their residency status. They will also help them prepare applications. Those organizations include counseling groups operating independently and designated groups the government calls Qualified Designated Entities, which have been selected by the INS.

Most of the designated entities were announced in the past week. The list is still being completed.

Many groups have been counseling

aliens to aid them whether they are designated by the government or not. But the delay in designating, which confers some additional processing responsibilities and a modest government payment of \$15 or \$16 per application, has caused problems for others.

"It leaves these groups with many, many questions," said the Reverend Ronald T. Marino, director of legalization for the Roman Catholic Diocese of Brooklyn and Queens in New York. "Do they hire staff? Do they print stuff or not? Do they start training? No one knows."

A contract for a national advertising campaign to inform aliens about the amnesty program was awarded two weeks ago.

In some cities, such as Houston, where the immigration service's local office has sponsored 104 forums for aliens and employers, officials have made efforts to spread information on the new law. That effort is being praised by immigrants' groups.

But the slow pace of the national educational campaign has frustrated and angered many organizations working with aliens.

Ira Kuzban, a Miami immigration attorney and president-elect of the American Immigration Lawyers Association, said studies in other countries had shown that advance notice and education were key factors in the number of aliens who applied for legalization.

"The government has defaulted in its responsibility to educate the public about legalization," he said. "One can only wonder about the government's sincerity in insuring that many aliens come forward. There are many aliens who won't come forward because of a lack of education about it."

But Richard Reeder, executive director of the Polish Welfare Association in Chicago, said his group has good rapport with the federal immigration service, and he is optimistic about the process. An estimated 32,000 Poles are expected to apply for legal status in Chicago.

In the Polish community, there's a generally positive feeling for what the legalization process is going to do," he said.

## U.K. Will Sue Papers Over Spy Book

*The Associated Press*

LONDON—The British attorney general said Monday that he would start contempt of court proceedings against three British newspapers for publishing excerpts of a book, which is banned in England, that alleges inside views by Britain's counterintelligence service.

The Independent, a nonpartisan daily, devoted its entire front page Monday morning to detail allegations from "Spycatcher," the memoirs of Peter Wright, a retired operative of MI5, the counterintelligence agency.

The government tried to block publication of the book in Australia, where Mr. Wright lives in retirement, saying that he was unauthorized to publish because he had signed the Official Secrets Act. The New South Wales Supreme Court rejected the arguments and the British government is appealing.

The publisher of "Spycatcher," Heinemann, said it would sue The Independent for breach of copyright. As a private hearing Monday before High Court Judge John Roch, the Independent agreed not to publish further material from the book until the case was heard. No hearing date was set.

After The Independent published the excerpts, two afternoon papers, the London Evening Standard and the London Daily News, repeated Mr. Wright's allegations that about 30 members of MI5 had plotted to topple Sir Harold Wilson as prime minister in 1974.

Many of the details in Mr. Wright's book had previously been published in two other books, "Their Trade Is Treachery," by Chapman Pincher, and "The Great M.I.5 Operations 1947-72," by Nigel West.

The government has won court judgments preventing two British papers, The Guardian and The Observer, from publishing excerpts of "Spycatcher."

The attorney general, Sir Michael Havers, announced in a statement that he would start contempt of court proceedings against the three newspapers for the publications on Monday.

Sir Michael consulted "his ministerial colleagues," the statement said, indicating that Prime Minister Margaret Thatcher had been involved in the decision to prosecute the three dailies.

## Indonesian Opposition Charges Ballot Rigging

*United Press International*

JAKARTA—The opposition United Development Party has filed protests in Thursday's general elections, contending that there had been ballot rigging and tampering with vote counters in Aceh and Riau provinces, a party official said Monday.

With results in from all but a few remote areas, the governing Golkar Party took 72.95 percent of the 85.6 million votes, a sharp improvement on the 64 percent it won in the last elections, in 1982. At stake were 400 of the 500 seats in parliament.



Norway's prime minister, Gro Harlem Brundtland, displaying the UN commission's report, "Our Common Future."

## Coping With Marriage to a Homosexual

**By Georgia Dulles**  
*New York Times Service*

NEW YORK—Every other Sunday or so they gather in a living room on the Upper East Side of Manhattan to reflect on their lives as wives of homosexual or bisexual men.

Each woman contributes something to the potluck supper held after the meeting and, since the meetings tend to get teary, a group leader, Aurele Samuels, contributes the Kleenex.

The scene is "like a floating crap game," Mr. Samuels said. Some women appear at one or two meetings and are never seen again. Others return for months and even years, until they have talked enough and drawn enough strength from the group to come to terms with their marriages.

Seated in the circle on recent Sunday were a dozen women, mostly mothers, each at a different point in a common journey.

A woman in the antiques business recalled watching, with mixed emotions, as her husband of 22 years moved out of their house in New Jersey. The parting was painful, she said, even though she has been seeing a man "who makes me feel like a woman again."

A Brooklyn schoolteacher called her husband's lover "a friend" and

her sexless marriage "a compromise." She and her husband belong to a support group of couples "in the same boat," she said.

Increasingly, the AIDS crisis is focusing attention on the once-hidden lives of women whose partners are homosexual or bisexual. It is raising concern as well as the partners' sexual behavior, past or present, places the women at grave risk of acquired immune deficiency syndrome.

Sex researchers estimate that about 20 percent of the U.S. male homosexual population, or four million men, marry at least once. No one can say how many of their wives may be at risk of AIDS because of the many variables: for example, the extent of the husband's sexual activity inside and outside the marriage.

Health authorities are concerned that wives who are unaware their husbands are homosexual cannot make informed choices. The women in the support group knew and yet, they said, the disease does not dominate their discussions or even their thoughts.

"He practices 'safe sex,'" is a common remark. Or, "He's only involved with one man. The man? I'm sure he's not promiscuous."

When Ms. Samuels began working with the group five years ago, nobody mentioned AIDS.

"Today," she said, "they're talking about it, but unfortunately not nearly enough."

She added that she has encouraged at least 65 female partners of homosexuals or bisexuals, half of them group members, to get tested for the virus. Only two women in the group have done so, she said, both with negative results.

Fear is part of the reason. Another part is the belief, expressed by an

"He practices safe sex," is a common remark. Or, "He's only involved with one man. The man? I'm sure he's not promiscuous."

interior designer in her 30s, that another piece of bad news would be too much to bear.

The truth often comes as a shock, to judge by the preliminary results of a study by Ms. Samuels and Dr. Dorothea Hays, an Adelphi University associate professor of nursing. Its findings, published in the Journal of Homosexuality, were based on the responses of 36 women to a 28-page questionnaire exploring their experiences as the wives of homosexual or bisexual men and the mothers of the men's children.

Roughly 85 percent of the women said they believed the men were heterosexual when they married. Those who knew otherwise said their reason for marrying was not "to cure him of homosexuality."

Like most others, they said it was love.

Drawn from support groups for such wives in Boston, New York, Philadelphia and Washington, the women in the survey ranged in age from 32 to 62. The average age was 47. Most had college degrees and professional jobs. At the time of the survey they had been married an average of 19 years and had discovered the man's sexual orientation four years earlier.

It was often years later that the women realized that the blame they had assumed for strains in the marriage and the explanations they had

invented for their husbands' puzzling behavior made no sense.

Noting that half of the women were married and living with their husbands at the time of the survey, Dr. Hays added: "Some are still holding on for dear life in spite of the fact that it doesn't feel so good. They deny a lot, which is true of abused wives and alcoholics' wives."

Still only three of the wives surveyed insisted they would never divorce. All were married to men who identified themselves as bisexuals with their only female partners being their wives. The wives felt free to have affairs with other men under open-marriage contracts.

Many other marriages in the survey were troubled well before the men's sexual activity came to light. Gradually, the wives recalled, the men grew moody and began to withdraw from them first physically and then emotionally. As one woman put it, "I felt like he was doing me a favor when we made love."

Starting into the mirror, others decided it was their fault. They distanced, exercised, bought sexy nightgowns, to no avail.

"I remember thinking, 'Oh, he's found somebody else,'" a schoolteacher in the support group, said. "I was on the right track, but I never dreamed it was a man. When he told me I said, 'You can't be gay.' If he were effeminate maybe that would have crossed my mind."

Six years later, their daughter is now 9 and their marriage remains intact, although sexual relations stopped three years ago.

"That's not to say we're not close in other ways," the schoolteacher said. "Our straight friends have so many problems—alcohol, drugs, wife abuse, poor communications. Just because they have sex doesn't make their marriages any better. The fact that my husband is happy in his relationship helps our relationship because he doesn't bring home any worries."

For others, the adjustment was harder. The disclosure left them feeling bewildered, jealous, betrayed, angry, guilty, disgusted and repulsed.

Despite such reactions, one-fourth of the wives believed they would have felt worse if the husband had been involved with a woman. But many more would have welcomed a female rival and a "fighting" chance.

## East Bloc Said to Sell Contras Arms

*Reuters*

STOCKHOLM—An arms expert working for a Swedish arms research institute said Monday that two Warsaw Pact countries had sold large amounts of ammunition to U.S.-backed rebels in Nicaragua.

Thomas Ohlson, a researcher at the Stockholm International Peace Research Institute, said it was well known in military research circles that Poland and Romania had supplied ammunition to the Nicaraguan rebels, known as contras.

He said the bill for the ammunition had been paid by the United States, which backs the contras in their fight against the Sandinist government of President Daniel Ortega Saverio.

"This is an example of where commercial interests are placed ahead of political and strategic considerations in the international weapons trade," Mr. Ohlson said.

The Stockholm International Peace Research Institute, an independent body funded by the Swedish Parliament, claims to have the world's only public data bank on international arms trade. The organization documents the pace of the arms race and military spending.

Mr. Ohlson said the sales to the Nicaraguan rebels demonstrated that the United States, which has been criticized for secretly selling arms to Iran, was not the only country where ideology was ignored in the name of weapons contracts.

"It just goes to show there are no nice guys in the arms trade," he said.

Mr. Ohlson said the two East bloc countries sold the ammunition to acquire Western currency, which they considered a higher priority than support for Mr. Ortega's Marxist government.

"As far as large weapons systems are concerned, it is naturally the political and strategic interests which dictate who may buy," he said.

But ammunition, hand-held weapons and other smaller systems now are treated like other exports, he said, and some countries are not concerned about where they go.

## Howe and Lange Clash On Nonnuclear Stance

*Reuters*

WELLINGTON, New Zealand—Britain and New Zealand clashed sharply Monday over Wellington's nonnuclear policy, particularly Prime Minister David Lange's ban on ships that are nuclear-powered or carry nuclear weapons.

Mr. Lange and the British foreign secretary, Sir Geoffrey Howe, who was entering a nine-day Asian and Pacific tour, exchanged remarks over the ship ban and New Zealand's military policies, with Sir

Geoffrey raising the prospect of trade retaliation.

Characterizing the talks later, in separate news conferences, Sir Geoffrey said that he and Mr. Lange had at times been "plain spoken," while Mr. Lange said of Sir Geoffrey: "You cannot treat such people with kid gloves."

Mr. Lange sharply criticized Sir Geoffrey's suggestion that New Zealand was not paying its share in its military expenses. He said New Zealand was paying its way in defense for the first time, with a policy of self-reliance and a program of modernization of its armed forces.

Sir Geoffrey made clear that Mr. Lange's ban on visits by nuclear ships, which has led to the suspension of New Zealand's military cooperation with the United States and halted visits by British and U.S. warships, could lead to trade measures by the European Community.

Sir Geoffrey, who was pursued around Wellington by several anti-nuclear demonstrators, said Britain would continue to help New Zealand sell its dairy produce in Europe. But he added:

"With your current defense policy, it is a fact of life that your cause is less likely to prevail in the European Community. 11 of whose 12 members also belong to NATO," the North Atlantic Treaty Organization.

Mr. Lange accused British farming interests of seeking to exploit New Zealand's foreign policy to disguise protectionism.

Sir Geoffrey, who made Western concern for security in the Pacific a theme of his tour of Thailand, Australia and New Zealand, said New Zealand was abdicating its responsibilities by cutting itself off from the Western nuclear shield.

He said he regretted that New Zealand's Parliament was expected soon to enact legislation codifying Mr. Lange's nonnuclear policy.

Mr. Lange criticized Britain's refusal to sign an international treaty that proclaims the South Pacific a nuclear-free zone.

Mr. Lange introduced a ban on nuclear ships after he came to power in 1984, in response to anti-nuclear sentiment exacerbated by French nuclear testing in the Pacific.

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## ARTS / LEISURE

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## The Short Shift Back to the Miniskirt

By Bernadine Morris  
New York Times Service

NEW YORK — The miniskirt is back. For the first time since the 1960s, women who follow fashion are shortening their skirts, or rolling them up at the waist to see how they look and feel with more leg showing.

In a rare display of unanimity, designers in the world's leading fashion centers here and in Europe focused on short skirts in their recent collections for fall. Most of them, deciding to forget about "choices" and "options" (catchwords for the last few years), showed hemlines that bared the knee and, frequently, half the thigh as well.

Although fall clothes won't be in the stores until July and August, the race is on. Department stores with alterations departments, such as Saks Fifth Avenue here, report that women are bringing in new and old skirts to be shortened a dozen at a time.

"I'm going to have this dress done again," said Jill Krennert, the photographer. "The last time I had it done mid-knee. Now it has to be above the knee. I've been having my skirts shortened one inch a week."

"I just bought this skirt last week and everybody tells me it's too long," said Cynthia Gibbons, who was shopping at Bloomingdale's last week. "I'm used to wearing Perry Ellis down to my ankles and I feel I'm really exposing my legs, but I guess I'll have it shortened." Her hem was about an inch above her knees.

Not every woman is enthusiastic about very short skirts. Isabelle Leeds, buying summer clothes on the Manhattan's East Side, said she was determined to keep her knees covered "because I'm tall and there's such a thing as too much leg."



Bill Blass's mink-beam mini (above), and Calvin Klein's lace suit.

and are easier to get around in. "It will be the year of the short skirt, and women will want to look sexy," said Kalman Rottenstein, fashion director of Bloomingdale's.

"They will shorten their skirts instead of having a face lift," said Marjorie Deane, of Tobe Associates, a fashion merchandiser.

The last hemline-shortening spree began with Mary Quant in London in the early 1960s and was given worldwide prominence when it was picked up by André Courrèges in his Paris couture collection in 1962. Rudi Gernreich and Jacques Tiffau were its proponents in the United States.

For the next eight years hemlines were on the rise, with many women experiencing a sense of rejuvenation as they turned up their skirts a little at a time. At first hemlines grazed the knee. By the end of the 1960s skirts were the shortest they had been in recorded history, far shorter than flappers had worn them in the 1920s.

Then came the debacle. In the collections for fall 1970, hemlines descended abruptly, by as much as 18 inches, from mid-thigh to the lower calf. Again, the change originated in Europe, but was quickly picked up by designers in this country.

The protests were immediate. Women declared that they would no longer be dictated to by fashion designers. They refused to buy long skirts. Stores suffered and many manufacturers went out of business.

Hemlines settled somewhere in the vicinity of the knee, but the placement was not significant. Fashionable women everywhere turned to pants. Even older women, who never wore trousers except perhaps for gardening, felt liberated in pants suits.

Meanwhile, skirt hemlines quietly began their descent until mid-calf length became commonplace in the 1970s and the early 1980s. Near-ankle lengths began winning adherents in this country last fall, and have remained popular this spring.

Still, some fashion designers, including most of the couturiers in Paris and Geoffrey Beene and James Galanos in the United States, strongly favored skirts near knee length.

Many collections in recent years offered a choice of hem length. A woman could wear a short skirt one day, a long one the next and trousers the third, and many did.

The popularity of short bubble skirts for evening last winter has helped prepare customers for the show of legs to come.

The differences between the short clothes of the 1960s and the styles offered today are considerable. Then, the basic daytime style was a shift dress with no waistline, in a smooth fabric such as wool gabardine or cotton poplin.

Today, fabrics are far more elaborate. Textured, three-dimensional surfaces and such patterns as checks, abstract designs and florals add interest to styles that have a more formal air.

Suits and jackets, almost ignored in the 1960s, are in the forefront of fashion now. Clothes are more shapely, with waistlines generally marked and hiplines often rounded.

The exaggerated padded shoulders that have dominated clothes for a decade have receded in favor of a curved, feminine silhouette. Shorter skirts are an almost inevitable part of this significant change in fashion.

Technology has made short clothes easier to wear. Stretch fabrics allow clothes to fit the body closely without inhibiting movement.

And panty hose, invented toward the end of the last short-skirt era, make short skirts practical. Most designers have endorsed opaque panty hose to avoid a look that is too leggy. In dark shades, these hose also offer some camouflage for women concerned about the shape of their legs or, more specifically, their knees.

"The shift to short clothes has started," Saltzman said. "Women have accepted them more enthusiastically than we predicted. They say it makes them feel happier as well as younger. That's what fashion is all about."



Courrèges design 1987 and, below right, his minis of 1965.

## DOONESBURY



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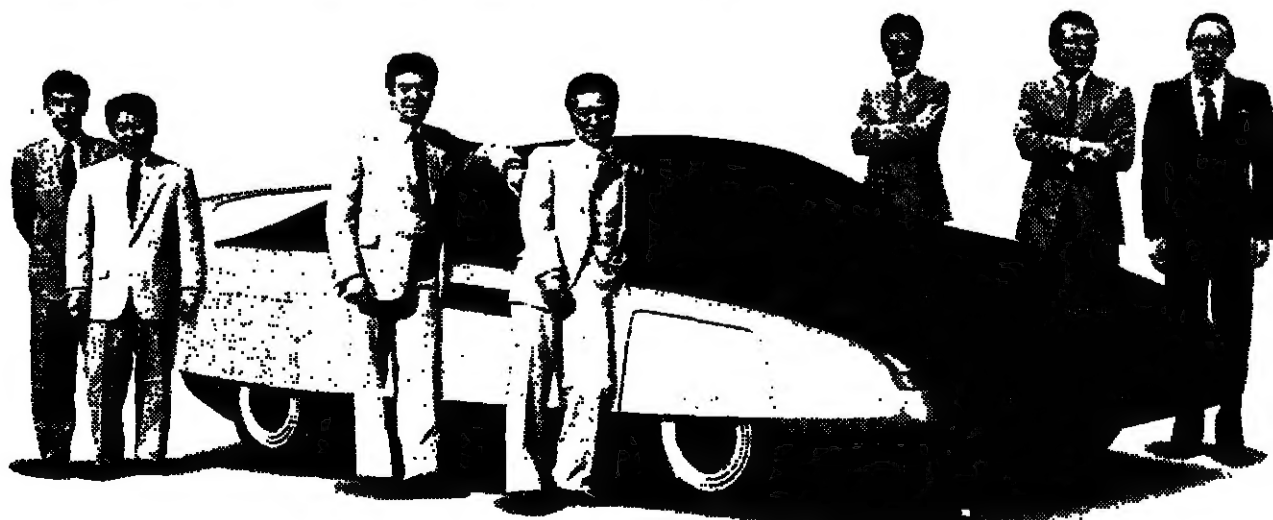


1917



Mitsubishi Model-A: Japan's first series-production car.

1987



Mitsubishi MP-90X: Japan's most advanced concept vehicle.



AMEX Stock Index			
High	Low	Close	Chg
321.93	315.94	318.81	-2.79

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(Continued on next page)



INTERNATIONAL STOCK MARKETS

After Seoul's Intervention, Stocks Are Marking Time

By PATRICK SMITH  
International Herald Tribune

SEUL — Among the most significant players on the Korean stock exchange is one that does not own any stock. Foreign investors fortunate enough to get into this highly protected market simply have to accept periodic "administrative guidance," as the government likes to call its interventionist forays, as part of the front-and-back manipulation of the market.

Justifiably concerned about inflation and manipulation by local share syndicates, financial authorities have set themselves up as the most brazen manipulators of all. Hence the market's recent downturn and the running in place it is expected to do over the next month or more.

A variety of forces pushed the Seoul exchange's composite index to a record 405.13 on March 31, an uninterrupted rise of 80 percent over the previous five months. Export growth, of 35 percent last year and 35 percent in the first quarter, has swelled the money supply, while the government has already sought to check inflation by clamping down on property speculation.

Not surprisingly, share turnover on the exchange has grown fourfold since the index began its current climb last November. Given the short supply of stock in this day market, the index has nowhere else to go. "We've seen some fairly reckless investing," said W. Todd Kilborn, the senior analyst here for James Capel & Co. "Individuals and corporations have been dumping just about everything they can get their hands on into shares."

On Monday, the index ended at 355.36, down two points from a half-day session on Saturday. Volume was 17.5 million shares, a drop of more than three-quarters from March records.

Mr. Kilborn and others say the market's fundamentals are healthy enough to push the index to 500 or more by the end of the year. But that may not be the level at which the Finance Ministry and the central bank would like it.

Shortly after the index pierced 400, the government acted to dampen prices by requiring local institutional investors to sell part of their shareholdings and purchase central bank bonds intended to absorb excess liquidity. Once this policy was disclosed, the market quickly lost almost 10 percent of its value.

SHARE PRICES are currently stable and are not expected to begin another advance before June at the earliest. "The long-term trend is still up," said George Robinson, who represents W.I. Carr (Overseas) Ltd. in Seoul. "But institutions still have an awful lot of stock that has to be sold over the next month or so."

Ironically, the market's basic buoyancy is grim news for foreign investors, who had hoped South Korea would permit them to hold shares directly by the end of this year. One widely accepted deadline for this decision was Oct. 19, when convertible bonds worth \$20 million, issued to overseas investors by Samsung Electronics Corp. two years ago, are to mature.

It now appears likely that the government will postpone the conversion date. For one thing, unexpected current-account surpluses mean South Korea no longer needs foreign equity investment to the degree planners anticipated several years ago. For another, financial authorities appear reluctant to give up the tight control they can exert over local investors.

Most observers now expect the market to be opened by early 1989 at the earliest. Government officials suggested last week that they may wait until 10 percent of the population owns stock — 3 percent now do — or until the number of listed shares climbs from its current 558 to 1,000.

This month, the \$30 million Korea Europe Fund was added to the list of foreign vehicles available to foreign investors. Like the Korea Fund on the New York Stock Exchange, the London-listed Eurofund shot to a premium significantly above its issue price, trading at roughly \$25 per share, compared with a par value of \$10.71.

Currency Rates

Cross Rates	U.S.	DM	Yen	Swiss	Other
Australia	1.2846	1.3548	172.78	1.4527	1.6125
Canada	1.2846	1.3548	172.78	1.4527	1.6125
France	1.2846	1.3548	172.78	1.4527	1.6125
Germany	1.2846	1.3548	172.78	1.4527	1.6125
Italy	1.2846	1.3548	172.78	1.4527	1.6125
Japan	1.2846	1.3548	172.78	1.4527	1.6125
Netherlands	1.2846	1.3548	172.78	1.4527	1.6125
Sweden	1.2846	1.3548	172.78	1.4527	1.6125
Switzerland	1.2846	1.3548	172.78	1.4527	1.6125
United Kingdom	1.2846	1.3548	172.78	1.4527	1.6125

Interest Rates

Interest Rates	U.S.	DM	Yen	Swiss	Other
1 month	6.4%	5.4%	5.4%	5.4%	5.4%
3 months	6.4%	5.4%	5.4%	5.4%	5.4%
6 months	6.4%	5.4%	5.4%	5.4%	5.4%
1 year	6.4%	5.4%	5.4%	5.4%	5.4%

Key Money Rates April 27	U.S.	DM	Yen	Swiss	Other
1 month	6.4%	5.4%	5.4%	5.4%	5.4%
3 months	6.4%	5.4%	5.4%	5.4%	5.4%
6 months	6.4%	5.4%	5.4%	5.4%	5.4%
1 year	6.4%	5.4%	5.4%	5.4%	5.4%

Asian Dollar Deposits	U.S.	DM	Yen	Swiss	Other
1 month	6.4%	5.4%	5.4%	5.4%	5.4%
3 months	6.4%	5.4%	5.4%	5.4%	5.4%
6 months	6.4%	5.4%	5.4%	5.4%	5.4%
1 year	6.4%	5.4%	5.4%	5.4%	5.4%

U.S. Money Market Funds	U.S.	DM	Yen	Swiss	Other
1 month	6.4%	5.4%	5.4%	5.4%	5.4%
3 months	6.4%	5.4%	5.4%	5.4%	5.4%
6 months	6.4%	5.4%	5.4%	5.4%	5.4%
1 year	6.4%	5.4%	5.4%	5.4%	5.4%

Gold	U.S.	DM	Yen	Swiss	Other
1 month	6.4%	5.4%	5.4%	5.4%	5.4%
3 months	6.4%	5.4%	5.4%	5.4%	5.4%
6 months	6.4%	5.4%	5.4%	5.4%	5.4%
1 year	6.4%	5.4%	5.4%	5.4%	5.4%

Funaro Resigns In Brazil Changes Seen On Debt Issue

SAO PAULO — The architect of Brazil's moratorium on payment of its foreign debt, Finance Minister Dilson Funaro, announced his resignation Sunday night, possibly paving the way for an end to the country's confrontation with its foreign creditors and a rapprochement with the International Monetary Fund.

Mr. Funaro, 53, said that he had informed the ruling Brazilian Democratic Movement Party of his departure and that he would formally resign after meeting Monday with President José Sarney.

Economic analysts had said that animosity between Mr. Funaro and U.S. bankers had impeded agreement on rescheduling Brazil's debts which, adding borrowing from governments to bank loans, total \$110 billion and make Brazil the Third World's largest debtor. A foreign banker had said that Mr. Funaro's departure was "pretty much a precondition for getting serious negotiations under way."

A businessman and friend of the president, Mr. Funaro took over Brazil's most powerful cabinet post in September 1985. In February, he provoked widespread consternation among Brazil's creditors when he announced the suspension of interest payments on \$68 billion worth of commercial loans, then insisted on a renewal of lending by banks without offering domestic adjustments in response. He rejected IMF monitoring and persuaded Mr. Sarney to do the same.

In his talks with creditor governments, Mr. Funaro pressed the ruling party's insistence that they share responsibility for the debt burden and that Brazil not sacrifice economic growth in order to pay interest. But he lost the party's support when its younger faction said his post-moratorium economic policies induced recession. (WP, Reuters)



President Miguel de la Madrid, who has so far been unable to solve his economic crisis.

Mexico's Reducing Plan Is Debated

Skeptics Question Drive to Trim Fat in State Sector

By Larry Rohrer  
New York Times Service

MEXICO CITY — When President Miguel de la Madrid was elected five years ago, the Mexican government owned 1,155 companies, including a restaurant and nightclub, several chains of movie theaters, a soft-drink manufacturer and a bicycle factory.

Since then, more than 500 have been ordered sold, closed or merged into others as part of the administration's effort to overhaul the state sector. While officials say the objective is to get rid of inefficient companies and make the remaining state enterprises more productive, critics say that the numbers are misleading and that far too little has been accomplished.

The drive to make the government-owned companies, which are known as *paraestatales*, leaner and meaner has a particular urgency in view of the economic crisis Mr. de la Madrid inherited and has been unable to resolve. The Mexican economy contracted 4 percent in 1986, inflation over the past 12 months was running at 114 percent a year and the foreign debt, at \$100 billion, is one of the world's largest.

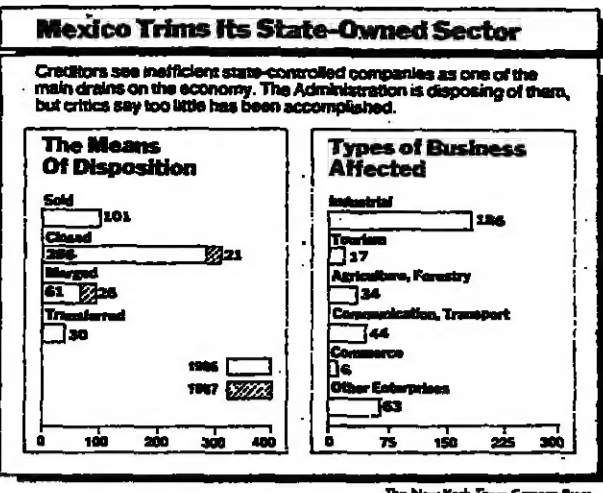
Creditors, including both commercial banks and international organizations such as the World Bank, see the inefficient state-controlled companies as one of the main drains on the economy. In 1985, the state companies employed more than 750,000 people, or 5 percent of the total Mexican work force, and accounted for 72 percent of the country's foreign exchange earnings.

Showing some improvement in the state sector has been one of the main requirements in negotiations for new loans, such as the \$7.7 billion agreement signed on March 20. But the change does not come easily to Mexico. "State companies, in general, have played a role to the benefit of the nation over the last 50 years," said Jorge Tamayo, coordinator general of audits at the Mexican Comptroller General's office, which oversees the more than 600 companies still in state hands. "Mexico could not have developed as it did without a strong paraestatal sector."

With that reliance, however, came an inefficiency. Between 1977 and 1982, according to the government, state enterprises accounted for half of a swelling public-sector deficit.

One diplomat here who specializes in economic affairs said, "The bottom line is that in the late '70s and early '80s, the government took over a lot of essentially bankrupt companies and kept them operating because of their ability to generate employment. But with the arrival of the economic crisis in 1982, that was no longer possible."

Under Mr. de la Madrid, the government has moved to rid itself of the state sector. "Many of the companies they have offered for sale are things nobody really wants," said an economic analyst.



The New York Times Service Press

Dollar Recovers To Close Higher In New York

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rebounded Monday from a postwar low in Tokyo to close higher against major currencies in New York.

The recovery, which began earlier in Europe, followed widespread intervention by central banks, apparent tightening by the Federal Reserve Board and verbal support from the White House.

Dealers in New York said the market now perceives that the Reagan administration is serious about halting the dollar's slide and this could promote higher rates Tuesday.

In New York, the dollar rose to 139.40 yen from 139.35 at Friday's close; to 1.7930 Deutsche marks from 1.7845; to 5.9870 French francs from 5.9495; and to 1.4685 Swiss francs from 1.4585.

The dollar was also higher against the pound, which closed at \$1.6585, against \$1.6605 on Friday. As the dollar rose, gold plunged from a trading high of \$477.50 an ounce to close at \$464, and silver from \$11.25 to close at \$7.80 in hectic selling that began as mild profit-taking when the Fed failed to add expected reserves to the banking system at midday.

Then President Ronald Reagan's chief spokesman, Martin Fitzwater, reiterated Treasury Secretary James A. Baker 3d's assertion that the administration does not want the dollar to fall further.

"The White House now appears to regard the dollar fall as serious, and for the moment, the attitude is a little more positive," said James McGroarty, vice president at Discount Corp. of New York.

"But what the market would like to see to turn the dollar in a significant way is a combination of coordination on interest rates — Fed increases and West German and Japan declines — and a firm commitment by the Treasury to support the dollar," he said.

"Barring that, all we are doing is buying time going into the Treasury's refunding and Nakasone's visit," Prime Minister Yasuhiro Nakasone of Japan is to meet with Mr. Reagan in Washington this week.

Jim O'Neill, economist at Marine Midland Bank Inc., said bond yields would have to rise to sell the \$29 billion refunding auction, which is to be announced this week and sold next week.

"Without rates of at least 9 percent," he said. See DOLLAR, Page 13

Bundesbank Predicts Drop in Trade Surplus

By Ferdinand Protzman  
International Herald Tribune

FRANKFURT — West Germany's trade and current-account surpluses should shrink substantially this year from the record levels reached in 1986 mainly because of the weak dollar, but will not return to normal levels for some time, the Bundesbank said Monday.

In its annual report for 1986, the Bundesbank, West Germany's central bank, did not specify what it meant by normal levels.

In 1986, the nation's surplus totaled a record 124 billion Deutsche marks (about \$69 billion at current rates), shattering the previous high of 86 billion DM in 1985. The current account surplus widened to a record 76.5 billion DM from the previous high of 44.6 billion DM.

The Bundesbank described the nation's economy as fundamentally healthy. But the bank said the export sector continued to be buffeted by the dollar's prolonged weakness and the sharp appreciation in the DM's value against other major currencies. This has caused much of West Germany's manufacturing industry to reduce its planned spending on capital goods, which could also inhibit economic growth.

A nation's trade surplus is the excess of exports over imports, while the current account includes services and tourism, transportation and other so-called invisible items, such as interest and profits earned abroad.

The Bundesbank said the lower 1987 surpluses should come primarily from another strong rise in imports, while exports are likely to rise only slightly. This would continue the previous year's trend, which saw imports rise 5.7 percent in real terms, while exports increased only a real 0.8 percent.

The lower dollar and the collapse of global crude oil prices caused a sharp rise in disposable consumer income in 1986, the report said. But it noted that higher domestic demand for goods and services was unable to fully compensate for the fall-off in exports.

Declining export levels and the subsequent slow-down in economic growth have caught Chancellor Helmut Kohl's center-right coalition government in a cross fire. The government is under pressure from the United States and other trading partners to reduce the nation's trade surplus. However, without another strong rise in domestic consumption, economists worry that growth could stagnate and there have been increasing calls to stimulate the economy.

But the government has been reluctant to depart from its announced path of slow, steady economic growth and has resisted calls to move up tax cuts scheduled for 1988, or tax reforms slated to take effect in 1990.

In its report, the Bundesbank warned the government not to slacken efforts to curb spending when taxes are cut as part of a package scheduled for 1990.

The central bank said higher expenditures could lead to a rise in interest rates that could hurt in even counter the positive effects of the tax cut.

Japan Led Surge in International Lending in '86

By Carl Gewirtz  
International Herald Tribune

PARIS — Japanese banks were the driving force behind the international banking market's "unprecedented" expansion last year, the Bank for International Settlements reported Monday.

The Basel-based BIS, a clearing house of central bank data, said last year's increase in gross cross-border banking assets of \$476.6 billion was "by far the largest ever recorded."

The increase was twice as high as in 1985 and 80 percent above the previous peak in 1981.

Almost all of last year's activity — 90 percent — was concentrated in the interbank market, where banks lend to each other.

Japanese banks alone accounted for 59 percent of total activity, up from 39 percent in 1985.

In the fourth quarter, the volume of Japanese interbank activity surged \$124 billion, four times the previous year's increase, totaling 66 percent of the market.

The BIS said this was explained by Japanese banks' growing involvement in the securities market, interest rate arbitrage, the effects of deregulation and the intense competition to expand balance sheets.

"However, the most important single element," the BIS said, was last December's opening of the Japanese offshore market, which enabled banks to engage in international business free of domestic taxes. By year-end, total assets in Japan's offshore market totaled \$93.7 billion.

Although the BIS did not provide any numbers, it said that "a sizable share" was due to rebanking of existing positions. In other words, the offshore market simply added another link in the chain of interbank business counted by the BIS, without necessarily increasing the total when all double counting is eliminated.

A striking feature of the banks in Japan is their keen competition to expand their balance sheets. This is a machine-type of competition to claim title to being the biggest bank, a contest most other banks abandoned at the outbreak of the debt crisis early in 1982.

At that time, banking authorities started pressuring banks to increase their ratios of capital to total business. Most responded by slowing the growth of their balance sheets and improving profitability.

Analysts estimate that appreciation of the yen against the dollar of almost 90 percent since early 1985 has given the Japanese banks enormous new lending power without distorting their capital ratios as the value of the banks' business denominated in dollars now translates into so many fewer yen.

After eliminating the double counting, the BIS estimated that net new lending during the fourth quarter increased \$50 billion, up \$5 billion from a year earlier. For the year, the rise was \$160 billion, a gain of 52 percent compared with 17 percent in 1985.

The largest net takers of funds in the fourth quarter were the Japanese, with \$20.8 billion. The inflow was needed to finance the discrepancy between the nation's current-account surplus of around \$80 billion and the long-term capital outflow into foreign securities of around \$130 billion.

By contrast, West Germany reported a decline of \$2.6 billion, reflecting the large current-account surplus and the long-term capital inflow into West German securities.

Nakasone Criticizes U.S. on Budget

By Sam Jameson  
Los Angeles Times Service

TOKYO — Prime Minister Yasuhiro Nakasone, who leaves Wednesday for talks in Washington, criticized the United States on Monday for failing to carry out its commitment to Japan to reduce the U.S. budget deficit to help curtail a trade imbalance with Japan.

"We will make our efforts" to reduce the trade imbalance, Mr. Nakasone said. "But we will also ask the United States to make further efforts."

Mr. Nakasone said Japan regarded pledges to reduce the budget, made by the United States in bilateral and multilateral forums, as an "official commitment to us."

"But, in reality, it is being carried out? We must have American efforts on this, too," he said.

Mr. Nakasone, 68, who will be making his sixth visit to the United States as prime minister, said he hoped to solve, "or lay the path toward solution," of U.S.-Japan trade disputes and "ensure that co-operative relations between Japan and the United States are not injured."

The U.S. House of Representatives is expected to enact a protectionist omnibus trade bill Thursday, the day Mr. Nakasone holds his first meeting with President Ronald Reagan.

The bill is expected to include an amendment that would force Japan and other countries with "unfair trade practices" to slash their surplus with the United States by 10 percent a year, or face retaliation.

"I am aware that American public opinion is very severe toward Japan," Mr. Nakasone said, "and I am deeply distressed by the present situation."

Mr. Nakasone said he would tell Mr. Reagan and other U.S. leaders that it would take the efforts of both countries to correct the trade imbalance, which last year reached \$58.6 billion.

Mr. Nakasone also noted that Japan's imports from Europe and the newly industrializing countries of Asia have increased recently, with Japan's purchases from those countries rising by 45 percent.

"However, American exporting power to Japan remains weak," with U.S. sales here still sluggish, he said. "The United States must make efforts to improve its competitiveness."

Mr. Nakasone said he would ask Mr. Reagan to withdraw "as quickly as possible" the tariffs the president imposed April 17 on Japanese products in retaliation for Japan's alleged failure to carry out an agreement on semiconductor trade.

"Japan has increased its imports of American semiconductors," he said, "and is supervising exports to third-country markets."

He added, "We have full confidence we can provide clear evidence that American complaints about Japanese dumping in third-country markets and access for U.S. chips to the Japanese market have been solved."

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## BUSINESS ROUNDUP

## Chrysler Profits Off 24% for Quarter

**Associated Press**  
**HIGHLAND PARK, Mich.** — Chrysler Corp. said Monday that its first-quarter earnings fell 24.4 percent from a year earlier. The company's chairman, Lee A. Iacocca, attributed the drop to buyer incentives and lost production.

In the first three months of 1987, the third-largest U.S. automaker earned \$269.7 million, or \$1.24 per share, down from \$356.9 million, or \$1.57 a share, in the first quarter of 1986.

The company's stock closed Monday at \$35.375, down \$1.375, on the New York Stock Exchange. Chrysler reported that revenue

totalled \$6.12 billion, up 4.3 percent from \$5.87 billion a year earlier.

"We spent nearly \$600 million for plant modernization and up-scale products in the first quarter," Mr. Iacocca said. "By pouring a lot of money back into our car and truck businesses, we're assuring the future competitiveness and profitability of Chrysler."

Mr. Iacocca said Chrysler also spent heavily to "match our competition, or go them one better," in offering extended warranties and other buyer incentives.

Chrysler's first-quarter sales were up nearly 4 percent over last year, to \$6.03 billion from \$5.8 bil-

lion. Chrysler said it sold 570,002 cars and trucks, up 2.4 percent from 556,771 a year ago.

The industry leader, General Motors Corp., last week reported a 23.1 percent drop in its first-quarter earnings from the same period of 1986. GM said it earned \$922.5 million in the period, down from \$1.20 billion a year earlier, on revenue of \$26.1 billion, down from \$26.8 billion.

The No. 2 automaker, Ford Motor Co., is expected to release first-quarter results this week.

Analysts have said Chrysler's sales in the first quarter were hurt by the dwindling supplies of the popular Omni-Horizon America subcompact, which lost their home when Chrysler began retooling its Belvidere, Illinois, plant.

Chrysler, which last week purchased the Italian sports car maker Lamborghini SpA, also owns 15.6 percent of Maserati SpA and is working out an agreement to purchase the French government-owned Renault's 46.1 percent interest in American Motors Corp.

## Alitalia Opts For McDonnell Jets Over Airbus

**International Herald Tribune**

**PARIS** — Alitalia, Italy's state-controlled airline, said Monday that it was placing orders for six McDonnell Douglas Corp. MD-11 three-engine jets and taking options on four others in a transaction estimated at about \$1 billion.

The contract brings the total number of orders and options for the MD-11 to 119, involving 14 airlines, a spokesman for McDonnell Douglas said.

Alitalia had been considering both the MD-11 and its main competitor, the Airbus A-340 made by the four-nation West European Airbus consortium.

A key factor in Alitalia's choice, sources said, was a commitment by McDonnell Douglas to place substantial orders for subcontracting work with Italian companies.

## U.S. Paper Products Industry Rebounds as Dollar Drops

**By Jonathan P. Hicks**  
**New York Times Service**

**NEW YORK** — After years of being battered by weak prices and having foreign competitors take away their business, American forest product companies are enjoying some of their best days. They, like other industries, have mainly one force to thank for their vastly improved fortunes: the declining dollar.

Because of the weaker dollar, U.S. pulp and paper exports surged 18 percent and 20 percent, respectively, in 1986, and paper exports, at least, are expected to keep climbing this year.

At home, the weaker dollar has meant that the industry can once again raise prices, sometimes significantly. Since 1986, the price of linerboard — used to make cardboard boxes — has increased by more than 30 percent, to \$320 a ton. More price increases in forest products are on the way, analysts predict.

The industry's earnings reflect its change in circumstances. After being severely depressed for three years, profits rose 30 percent in 1986 and should rise this year by 25 percent, to about \$4 billion, according to analysts and economists.

"We had some tough times a few years ago," said Burnell Roberts, chairman of Mead Corp., the big paper company based in Dayton, Ohio. "It's time we had it the other way."

Cost-cutting measures that forest products companies implemented to survive the tough times mean that they are raking in profits now that times are better. Labor costs, which were rising about 10 percent annually five years ago, rose by only about one-half of 1 percent last year. Energy costs, too, have been significantly cut.

But, clearly, the dollar's steep drop the last two years against many European currencies and the yen is the main cause of the revival that has transformed paper, pulp and lumber makers into some of the world's lowest-cost producers.

It has especially helped forest product companies compete against the Scandinavian countries, which have seen their currencies rise about 32 percent against the dollar in that time. U.S. lumber and wood products also have

**"We had some tough times a few years ago. It's time we had it the other way."**

— Burnell Roberts of Mead Corp.

benefited from the dollar's lower value but, because of persisting overcapacity, not as much as paper. "The exchange rate has made us more competitive, and our market share has increased, but prices have been flat," said Thomas C. Ambrose, a spokesman for Weyerhaeuser Co. in Tacoma, Washington. "The supply is too high."

Still, Weyerhaeuser's exports of pulp rose a hefty 40 percent last year, and have remained strong this year, Mr. Ambrose said.

U.S. producers of packaging paper are benefiting from the decisions of Japanese and European companies to scale back in that market. "The Scandinavians and Japanese don't have the access to cheap fiber that the American companies have, so they have concentrated on the higher-end specialty papers," said Mark S. Rog-

ers, an analyst with Prudential-Bache Securities. Even so, the U.S. production of specialty products, such as the coated paper used to package food prepared in microwave ovens, has surged as a result of increased domestic and international demand. Advertisements account for about 90 percent of the demand for coated paper, and producers widely forecast that growth in demand will surpass the 6 percent level, where it has been every year since 1976. The forest products industry's rebound follows one of its worst periods. For most of the 1980s, imports claimed a growing share of almost every product category. In printing and writing paper, which accounts for 28 percent of the industry's \$148 billion sales, foreign producers nearly doubled their share, to 11.7 percent last year.

In 1985 alone, the prices for the grades of paper products used in packaging fell nearly 30 percent. The net income that year of the six largest U.S. paper companies — Georgia-Pacific, Champion International, International Paper, Kimberly-Clark, Boise Cascade and Crown Zellerbach — fell 44 percent, to \$462 million.

Despite the industry's prosperity, some analysts caution that the new tax law could hurt the makers of lumber and wood products. The elimination of the investment tax credit and the longer schedule for depreciation could diminish demand from the construction industry.

A more immediate threat, however, is the possibility of Japan's placing a tariff on paperboard in retaliation for the sanctions President Ronald Reagan recently imposed on Japanese semiconductor.

## Du Pont Earnings Are Down; Sagging Oil Prices Blamed

**The Associated Press**

**WILMINGTON, Delaware** — Du Pont Co. reported Monday that its first-quarter profit declined 3 percent from the first period last year, largely because of sagging oil prices that caused lower earnings at its Conoco Inc. subsidiary.

Du Pont said net income for the first quarter totalled \$391 million, or \$1.62 per share, compared with \$404 million, or \$1.67 per share, in the first quarter of 1986.

Total sales for the first quarter were \$7.1 billion, essentially the same as in the first quarter of 1986.

"Results for our chemical and specialty products businesses were up sharply," the company's chairman, Richard E. Heckert, said. "However, total company earnings were down slightly from last year's strong first quarter because of weakness in the petroleum sector."

After-tax operating income for the company's chemical and specialty products businesses was \$393 million, up 55 percent from the same quarter last year. The compe-

ny said that reflected improved results for most businesses, notably fibers, white pigments and specialty polymers.

Those gains were attributed to improved worldwide demand, lower energy and feedstock prices, previous corporate restructurings and improved productivity.

After-tax operating income for the petroleum segments was \$55 million, 64 percent below the first quarter of 1986. Those results reflected lower refined petroleum product margins and lower average worldwide crude oil and domestic natural gas prices.

Conoco's quarterly earnings from exploration and production totalled \$15 million on sales of \$504 million, compared with \$51 million on \$651 million in revenue a year earlier.

Conoco's earnings from refining, marketing and transportation totalled \$40 million on revenue of \$1.99 billion, down from \$103 million on \$2.2 billion of revenue a year earlier.

## IBM Chairman Emphasizes New Products, Cost-Cutting

**Reuters**

**NEW ORLEANS** — Business volume at International Business Machines Corp. is up 8 percent worldwide, the company's chairman, John F. Akers, said Monday.

Mr. Akers offered the figure in response to a question at the company's annual meeting about IBM's volume in South Africa, where he said sales were less than 1 percent of the company's total.

Mr. Akers also said that IBM expects its new products and cost-cutting measures to have an increasingly positive impact in the rest of 1987.

He said that although the worldwide economic situation remained unsettled, "we see some encouraging signs." He said, for example, that shipments in the first quarter of 1987 exceeded the 1986 level.

On April 13, IBM said first-quarter profit fell 23 percent to \$785 million from the same period in 1986, although sales rose 5.5 percent.

Mr. Akers said that IBM would increase its emphasis on service and other customer support this year and that by the end of 1987 it would have 20 percent more sales representatives and systems engineers than it did two years ago.

He said the company was accomplishing the change by moving current employees into marketing and through new hires. He also said

that IBM would increase its U.S. software programming work force, both through retraining and hiring, to a total of 26,000 by the end of the year.

Last year IBM announced that it would try to reduce its overall number of employees without violating its no-layoff policy, primarily through offers of early retirement and retraining.

Mr. Akers said that since last April the company's worldwide work force had been cut by 11,000. He said some 14,000 people had been moved from one IBM location to another, that headquarters staff positions were reduced by 7,000 and that the number of U.S. managers had been cut by 1,500.

Earlier this month, the company introduced a new line of personal computers, and this summer it will begin shipping a new generation of minicomputers.

"We expect our product announcements and resource-balancing measures to have an increasingly positive impact as 1987 proceeds," Mr. Akers said.

IBM "is working hard," Mr. Akers said, "to reduce our product cycle," which is the time between the conception of a new product and its first shipment.

"We want to make this as short as possible and we are making progress," he said.

## ITT's Earnings Jumped by 55% In First Quarter

**United Press International**

**NEW YORK** — ITT Corp. said Monday that its first-quarter earnings had risen 55 percent, to \$164 million versus \$106 million for the same period of 1986.

The increase per share was \$1.07, up from 70 cents a share, ITT said, while sales totalled \$4.6 billion, up from a restated \$4 billion in the 1986 quarter.

It said the diversified services business posted strong operating results because of continued improvement in the domestic casualty business at The Hartford, its insurance subsidiary.

Hartford's results were helped by tax benefits from the 1986 Tax Reform Act, of which \$26 million was realized in the first quarter, ITT said.

The industrial and military technology business was off from 1986 but above company expectations, ITT said.

Natural resources operations posted large gains in the quarter, more than doubling their performance, the company said.

## Exxon Chief Says Oil Discoveries Slowing

**Reuters**

**HOUSTON** — Exxon Corp.'s chairman, Lawrence Rawl, said Monday that world energy consumption would continue to grow, but said that new oil discoveries were slowing and could not offset annual production.

In a speech at the World Petroleum Congress here, Mr. Rawl said oil companies would increasingly be forced to turn to enhanced recovery techniques, very heavy oil and synthetics to compensate for substantial declines in conventional oil production.

"What our current outlook suggests is that total world energy consumption will continue to grow steadily in an ever more energy-efficient world," he said.

But, he said, "Exxon projects that despite today's ample supplies,

the world will also be facing up to inherent limitations on the availability of oil and gas," which currently supply more than half of the world's energy needs.

Mr. Rawl said that some synthetic fuel projects could become practical when oil reached the \$30 to \$40 a barrel range.

"The question is when and how this will happen," he said. "I believe that synthetic projects will not only re-emerge but will become commercial well below those prices we were thinking about the last time oil prices moved substantially higher."

Mr. Rawl said that companies are investigating a new generation of ideas on synthetic fuels that promise substantially lower costs.

"It would be my view that new oil discoveries, even with advanced

technology, are likely to slow down, not reverse, the decline in worldwide oil discoveries," he said. "So it is essential to find a better way to recover more of the discovered oil from producing fields using chemicals, solvents, heat and other techniques."

After his speech, Mr. Rawl said in an interview that world oil prices should remain at about \$18 a barrel through the end of 1987.

"We're still using the current level of about \$18 or \$19 through the end of the year," Mr. Rawl said. "We base our outlook on prices remaining in the current range."

## Drexel Official Is Said to Aid Inquiry

**New York Times Service**

**NEW YORK** — The government has advanced its investigation of Drexel Burnham Lambert Inc. by gaining the cooperation of an official at the Wall Street firm in return for immunity from prosecution, according to sources with knowledge of the investigation.

The official is Charles Thurnher, who is based in Drexel's office in Beverly Hills, California, the sources said. That office is run by Michael R. Milken, who is a focus of the government's inquiry into illegal takeover practices.

Mr. Thurnher, the sources said, is involved in maintaining confidential records of both the activities of Mr. Milken and of the Beverly Hills office. His cooperation would be the first known instance of someone inside Drexel with intimate knowledge of Mr. Milken's activities cooperating in return for lenient treatment by the government.

The only previous witness against Drexel was Ivan F. Boesky, the speculator and former Drexel client who pleaded guilty last week to a conspiracy charge, sources said.

## BFCE results for 1986

## Development of Commercial Activities

Commercial loans to French and foreign businesses levelled off at 35 billion francs, in spite of the shrinking demand for credit and the fall of the dollar, which lowered the value of most transactions carried out in foreign currencies, by both our French and overseas branches. Capital and money markets activities, however, benefitted from the favourable financial situation during the first half of the year as well as from the Bank's investment in specialized personnel and material in this specific area. Overall, proceeds from commercial activities advanced by 5.5% as a result of product diversification and an expanded clientele, most notably among medium-sized businesses.

## A Gradual Decline in Export Facilities

The signing of fewer major export contracts, together with the first impact of the 1985-1986 reforms of export credit procedures, caused short and medium-term credits to drop from 81 to 59 billion francs. However long term buyer and supplier credits, the specialized activity of the Bank,

stood the test much better and rose from 64 to 68 billion francs.

## An Appreciable Advance in Results

Net operating income (1,834 million francs) showed an increase of 77 million (up 4.4%), despite the depreciation of the dollar, the decline in lending rates and the erosion of profit margins. The 4% increase of general expenses was largely due to investment-linked expenditures. New appropriations to loan loss reserves for the year (413 million) were in large part allocated to "sovereign risks," which are covered to the same level as in most other banks, while "doubtful risks of customers" were covered up to 75%.

After provision for corporate income taxes, the financial year yielded a profit of 76 million francs, an increase of 26.6% over 1985.

The annual Report from which the above figures have been extracted may be obtained from the "département Etudes et Communication," Banque Française du Commerce Extérieur, 21, bd Haussmann - 75009 Paris - France.

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West-16			1	3%	5%	3%	1%
West's	.28	2.3	19	18%	12%	12%	1%
Worthing			15	8%	8%	8%	1%
Worthing	.02	.1	28	17%	16%	17%	1%
Worthing							
<b>Y</b>							
YankCo			69	6%	5%	7%	1%
YankCo of 1.15	14.6		15	7%	7%	7%	1%
<b>Z</b>							
Zimer			16	3%	3	3%	











